



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

THE ENERGY & TECHNOLOGY COMMITTEE

Senate Bill 200: AAC GEOTHERMAL RENEWABLE ENERGY CREDITS

February 10, 2011

TESTIMONY OF THE DEPARTMENT OF PUBLIC UTILITY CONTROL

The Department of Public Utility Control, (Department) appreciates the opportunity to comment on Senate Bill No. 200. Senate Bill No. 200 would create renewable energy credits, ("RECs") for the production of geothermal energy as a means of furthering Connecticut's ability to meet its Renewable Portfolio Standards ("RPS") with in-state resources. However, it is unclear from the proposed language of the bill which Class I, II, or III the RECs would derive from. The Department would suggest that further clarification is needed, but for the purposes of this testimony will proceed as if the intent of the bill is to expand Class I's definition for renewables.

The Department further suggests that the language of the bill include more specificity which type of geothermal resources should be included in the definition of a geothermal system. The Department recognizes that there currently exist several types of geothermal energy systems. Hot water or steam from volcanic activity in the earth can be used to produce electricity. Ground and water source heat pumps might also be considered geothermal renewable resources. The impact on the market of expanding the resources included under Class I depends on how broadly these resources are defined. Therefore, it is necessary for the well functioning of the market to more fully define which types of systems are eligible and provide some examples, including energy efficiency standards the systems should meet.

Heat pumps use less electricity to heat a home or heat hot water than electric resistance heating. With regards to funding sources, the Department notes that geothermal heat pumps are currently eligible for incentives through Connecticut Light & Power, (CL&P) and United Illuminating's, (UI's) conservation programs and the Clean Energy Fund and are eligible for Federal tax incentives. The Department also notes that heat pumps projects that do not receive Conservation and Load Management (C&LM) incentives are eligible to sell their RECs as a Class III renewable resource since they are considered a conservation measure.

In conclusion, the Department agrees it is appropriate to include electricity produced from other geothermal technologies as a Class I resource. Geothermal energy is currently one of the least cost renewables that are available for in-state resources. The overall potential is very small but this could add some Class I resources which would help the state meet the increasing Class I RPS.

The Department thanks the Committee for this opportunity to provide testimony and looks forward to working with the Committee on this matter.